



IRAQ Status Report

U.S. DEPARTMENT OF STATE
Bureau of Near Eastern Affairs
Iraq Policy & Operations Group

A BIWEEKLY REVIEW OF DEVELOPMENTS IN IRAQ

UNCLASSIFIED

MAY 26, 2011

KEY DEVELOPMENTS

- [Baghdad Provincial Council Members Visit Washington](#)
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Politics and Diplomacy

Baghdad Provincial Council Members Visit Washington: Seven members of the Baghdad Provincial Council, including representatives from the rural services, agriculture, education, and tourism committees, visited the U.S. Department of State Headquarters in Washington, DC. They met with the Deputy Assistant Secretary (DAS) for Iraq Affairs, Michael Corbin, as well as representatives from the political, political-military, economic, and the provincial reconstruction and transition pillars from the Iraq Office of the Bureau of Near Eastern Affairs. DAS Corbin led a lively discussion on the U.S.-Iraq partnership in police and military training, continuing economic advancements, and political maturation and freedom of the press in Iraq. Provincial Council participants discussed challenges facing their country, including unemployment, corruption, and the growing pains associated with nurturing a free and democratic civil society. The Baghdad Provincial Council members were grateful for the opportunity to speak with their U.S. Government partners and share their experiences as members of a provincial council. Following their stay in Washington, DC, the delegation traveled to Baltimore and Denver to take part in workshops and other meetings. (NEA-I; NEA-I-IPOG)

UK's Eight-Year Military Presence in Iraq Comes to an End: The United Kingdom's military presence in Iraq ended on May 22 with the official conclusion of the UK's "Operation Telic." The last remaining UK force, a Royal Navy team, was responsible for training Iraqi naval personnel at Umm Qasr. In his comments on the occasion of the end of the training mission, Commander of British Forces in Iraq Brigadier Max Marriner said, "The Iraqi navy are ready, so now is the time for the UK to let them complete the mission they were created for." At its peak in March 2003 when it joined the U.S. led coalition to topple the regime of Saddam Hussein, UK troop presence in Iraq was 46,000. In total, 179 UK service personnel lost their lives during the eight-year operation. ([Guardian](#), [BBC](#))

Economic Activity

Iraq to Boost Retail Banking via Mobiles, Web: The Central Bank of Iraq (CBI) and the U.S. Agency for International Development (USAID) have agreed to a Memorandum of Understanding under which USAID will establish a \$15-20 million central payment system based on mobile phone and Internet technologies. The Iraq Payment System (IPS), as it will be known, will allow Iraqis to transfer money between banks, withdraw funds, and make domestic and international payments from their phones or Internet-linked computers. Iraqi officials hope that the IPS will help to fuel activity in the private retail banking sector and encourage Iraqis to move away from their preference for cash-only transactions.

Currently, only 20% of Iraqis have bank accounts, as compared to an average of 28 percent of adults in other developing countries, according to World Bank data. In addition to years of war and international sanctions, banking and development experts also cite a lack of modern banking centers and prevalent financial illiteracy as other reasons for the slow emergence of commercial banking in Iraq. The Government of Iraq (GOI) is working to pass regulations that would mandate that local banks link their systems to the IPS, a key provision of the project. The project will cement progress under the U.S.-Iraqi Strategic Framework Agreement (NEA-I-IPOG; [Reuters](#); [AFP](#))

U.S.-Iraqi Cooperation

U.S. Law Students Help Resettle Iraqi Refugees: The Iraqi Refugee Assistance Project (IRAP), started by Yale Law School alum Becca Heller in 2008, is an organization that assists Iraqi refugees in resettling in nations including the United States, Canada, Germany, Australia, Ireland, and Sweden. The group prides itself on providing legal representation at all stages of the settlement process, including appeals. IRAP has won more than 100 cases (over 90 percent of the cases it has taken on) thus far and boasts lawyers and law students from 12 U.S. law schools, 19 law firms, and the University of Jordan that provide free legal aid. Aside from its caseload, IRAP works to advocate reforms of the refugee acceptance process, including the refugee rejection and appeals processes. ([AFP](#))

Spotlight on PRT Salah ad Din

In November 2005, Secretary of State Rice said the Provincial Reconstruction Teams (PRTs) would “marry our economic, military, and political people in teams to help local and provincial governments get the job done.” PRT Salah ad Din’s first team leader (in April 2006) recalled her instructions and the province’s dire situation: “assess the needs of the province and develop plans to address them . . . And the needs were enormous: a dysfunctional political system hampered by a foundering economy in a province that was becoming more isolated from the central government against the backdrop of an unrelenting spiral of violence.”

Over the years, teams of brave, dedicated Americans from the Departments of State, Justice, and Agriculture, USAID, and from across all branches of the U.S. military partnered with courageous Iraqis to re-build Salah ad Din’s provincial government, security and economy. With the mentorship of the PRT, the Salah ad Din government matured, developing an ability to compile a budget based on local needs and implement it. NGOs formed, creating a nascent civil society with particular emphasis on the needs of women and children. The province wooed investors and started vocational training for the unemployed. Tikrit University, formerly a fertile Al Qaeda recruiting center, now participates in a State Department program linking its computer sciences, accounting and English departments with those of Ball State University in Indiana.

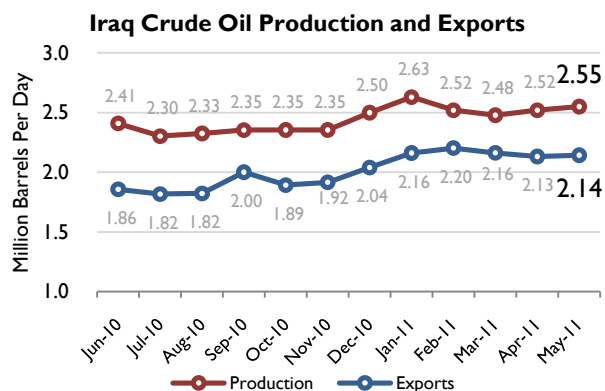
Now, after five years of building civil capacity in Saddam Hussein’s home province, PRT Salah ad Din is closing its doors on June 1. The PRT’s legacy, however, will not be in a single bridge, irrigation canal, school building or medical clinic - although signs of such American assistance are everywhere. It will be found, instead, in the province’s strengthened governmental and non-governmental institutions and in the provincial authorities themselves as they prioritize, budget, and execute projects to deliver improved services to their people; the judge who now accepts forensic evidence instead of a forced confession at a criminal trial; the widow able to provide for her family with the bee-keeping skills she learned from U.S. Department of Agriculture advisors; and the imam who changed his view of America after participating in a visitors’ program.

Salah ad Din’s transformation from epicenter of insurgency to a largely stable province with a wide array of competent institutions is a remarkable turnaround. The PRT played a vital role in encouraging this reversal and in helping Salah ad Din’s leaders unlock this potential. (PRT Salah ad Din, NEA-I-PRT/T)

Current Economic Indicators

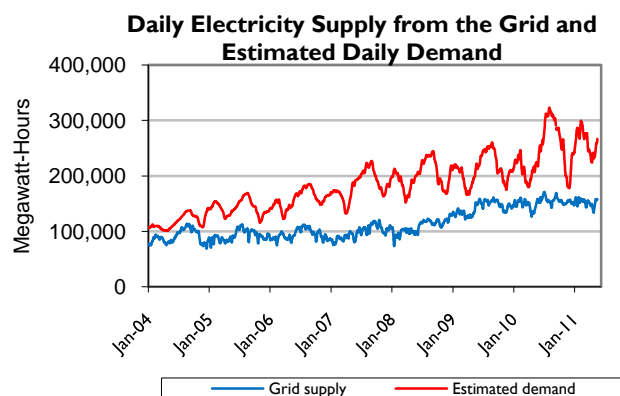
Crude Oil Average Closing Prices (May 9 – May 26)

Basrah Light \$107.03/bbl || Dated Brent \$113.11/bbl || WTI Cushing \$99.56/bbl || Oman/Dubai \$107.43/bbl



2010 Oil Revenue: \$51.4 Billion (est)

2011 Oil Revenue: \$27 Billion (est)



Supply of electricity from the grid May 11-17 was 4% above 2010 and met 59% of estimated demand compared with 67% for the year-earlier period.

Source: Department of State, NEA/I Economics Section, NEA-I-ECON-DL@state.gov

For additional information, please see:

- **Department of State, Iraq Status Reports**
<http://www.state.gov/p/nea/rls/rpt/c28010.htm>
- **Department of State, Section 1227 Report on Iraq**
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- **Department of Defense, Section 9010 Measuring Stability and Security in Iraq**
http://www.defenselink.mil/home/features/Iraq_Reports/index.html
- **Central Intelligence Agency, World Factbook**
<https://www.cia.gov/library/publications/the-world-factbook/geos/iz.html>

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NEA-I-IPOG-DL@state.gov or call 202-663-1584